



# House of Representatives

## File No. 637

General Assembly

February Session, 2012

**(Reprint of File No. 487)**

Substitute House Bill No. 5464  
As Amended by House Amendment  
Schedule "A"

Approved by the Legislative Commissioner  
May 4, 2012

### **AN ACT PROHIBITING STATE CONTRACTS WITH ENTITIES MAKING CERTAIN INVESTMENTS IN IRAN.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1       Section 1. (NEW) (*Effective October 1, 2012*) (a) For purposes of this  
2 section, "state agency" and "quasi-public agency" have the same  
3 meanings as provided in section 1-79 of the general statutes,  
4 "contractual services" has the same meaning as provided in section 4a-  
5 50 of the general statutes and "large state contract" means a contract for  
6 goods or contractual services that is valued at two million five  
7 hundred thousand dollars or more.

8       (b) No state agency or quasi-public agency shall enter into any large  
9 state contract, or amend or renew any such contract with any person  
10 who (1) has failed to submit a written certification indicating whether  
11 or not such person has made an investment of twenty million dollars  
12 or more in the energy sector of Iran on or after October 1, 2012, as  
13 described in Section 202 of the Comprehensive Iran Sanctions,  
14 Accountability and Divestment Act of 2010, or has increased or  
15 renewed such investment on or after said date, or (2) has submitted a

16 written certification indicating that such person has made such an  
17 investment on or after October 1, 2012, or has increased or renewed  
18 such an investment on or after said date. Each such certification shall  
19 be sworn as true to the best knowledge and belief of the person signing  
20 the certification, subject to the penalties of false statement.

21 (c) Each state agency and quasi-public agency shall include in the  
22 bid specifications or request for proposals for a large state contract a  
23 notice of the certification requirements of this section. Prior to  
24 submitting a bid or proposal for a large state contract, each bidder or  
25 proposer shall submit a certification that such bidder or proposer has  
26 or has not made an investment as described in subsection (b) of this  
27 section.

28 Sec. 2. (*Effective from passage*) Not later than thirty days after the  
29 effective date of this section, the Secretary of the State shall inform the  
30 Attorney General of the United States of the passage of section 1 of this  
31 act by the General Assembly.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2012</i>	New section
Sec. 2	<i>from passage</i>	New section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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### ***OFA Fiscal Note***

***State Impact:*** None

***Municipal Impact:*** None

### ***Explanation***

The bill prohibits any state or quasi-public agency from contracting services at or above \$2.5 million if 1) the entity has failed to provide written certification regarding certain investments in Iran or 2) has certified such investments have been made on or after October 1, 2012. These provisions are not anticipated to result in a fiscal impact to the state.

House "A" strikes the underlying bill and its associated fiscal impact and results in no fiscal impact as described above.

### ***The Out Years***

***State Impact:*** None

***Municipal Impact:*** None

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**OLR Bill Analysis****sHB 5464 (as amended by House "A")\******AN ACT PROHIBITING STATE CONTRACTS WITH ENTITIES MAKING CERTAIN INVESTMENTS IN IRAN.*****SUMMARY:**

This bill prohibits state and quasi-public agencies from entering into, renewing, or amending goods and services contracts worth \$2.5 million or more with any person who fails to certify that he or she has not invested \$20 million or more in Iran's energy sector. The prohibition applies to investments made on and after October 1, 2012 and to prior investments increased or renewed on and after that date. It applies to people who either (1) fail to submit the certification or (2) certify that they have made, renewed, or increased such an investment (see COMMENT). Iran's energy sector, as defined by federal law, includes activities to develop petroleum or natural gas resources or nuclear power in Iran.

Under the bill, bidders and proposers must submit the certification before submitting a bid or proposal for a goods or services contract worth \$2.5 million or more. The certification must be sworn as true to the person's best knowledge and belief, subject to the penalties for false statement. Agencies must include notice of these requirements in bid specifications or requests for proposals (RFP) for such contracts.

Lastly, the bill requires the secretary of the state to notify the U.S. attorney general of the bill's requirements within 30 days of its passage, as required by federal law.

\*House Amendment "A" replaces the original file, which prohibited contracting with entities identified by the Department of Administrative Services that had certain investments in Iran's energy

and financial sectors.

EFFECTIVE DATE: October 1, 2012, except that the provision requiring notification by the secretary is effective upon passage.

## **COMMENT**

### ***Possible Conflict With Federal Law***

The federal Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (CISADA) (P. L. 111-195) allows state and local governments to divest or prohibit the investment of assets in certain entities that do business with or invest in Iran's energy sector. However, CISADA requires state and local governments to give such entities 90 days' written notice before taking such actions. The bill requires no such notice, other than that which accompanies the bid specifications or RFP.

## **COMMITTEE ACTION**

Government Administration and Elections Committee

Joint Favorable

Yea 15      Nay 0      (03/29/2012)